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I&T 100 YEARS OF LEADERSHIP

Implement & Tractor

The business magazine of the farm and industrial equipment industry

August 1988

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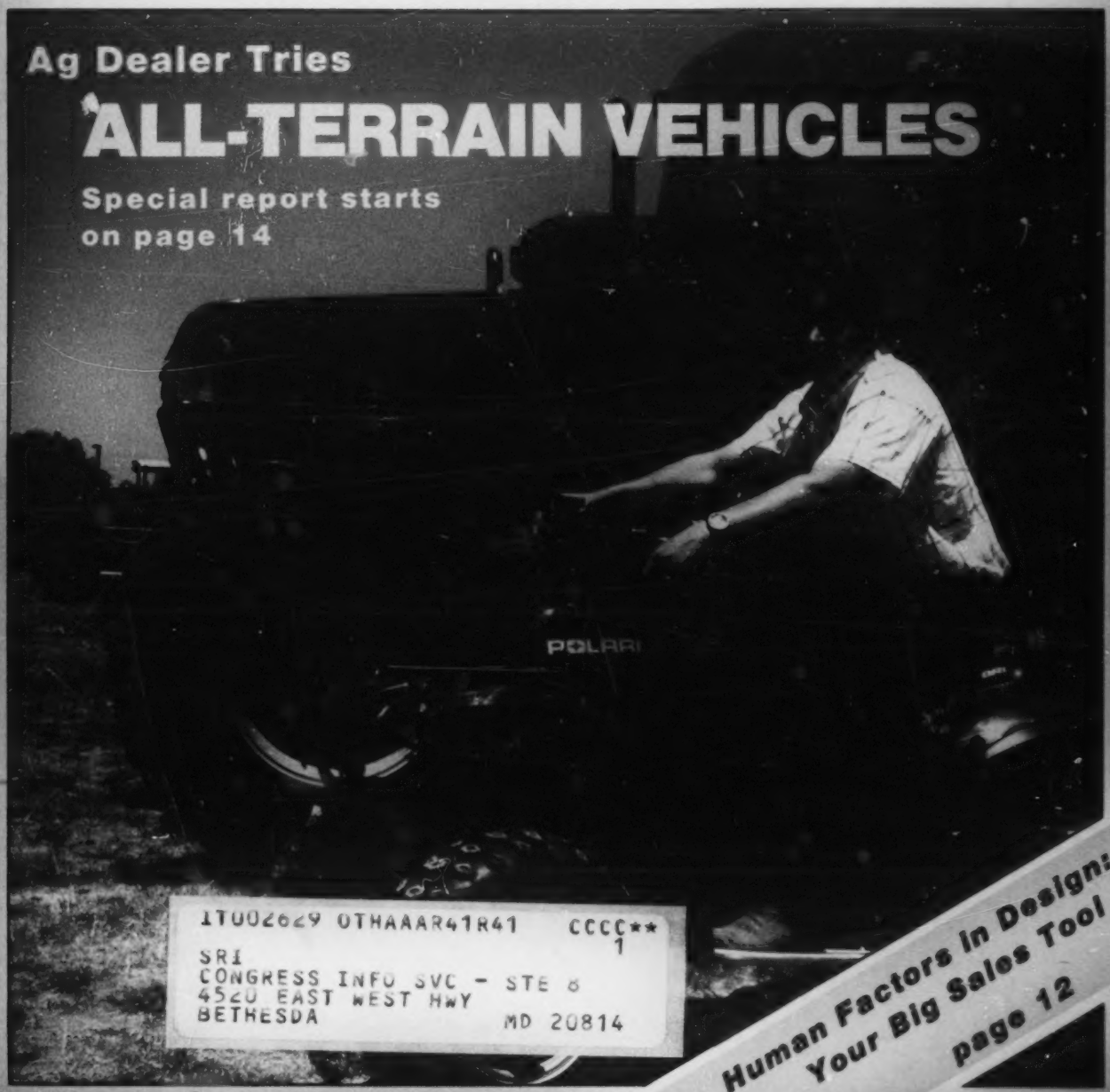

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I&T 100 YEARS OF LEADERSHIP

Implement & Tractor

The business magazine of the farm and industrial equipment industry.

August 1988 • Vol. 103 • No. 9

On Our Cover

Mark Nicholas, Case IH dealer at Canton, Miss., is looking forward to a profitable sideline in all-terrain vehicles.

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Features

6: **Tillage research** is gaining significance thanks to mounting conservation concerns.

9: **Defining what quality** means to customers and satisfying them are keys to selecting power equipment lines.

12: **With operator comfort** and convenience translating into greater productivity and safety, more and more manufacturers are considering "human factors."

14: **The All-Terrain** vehicle industry is going through major changes that could impact agricultural equipment dealers.

26: **New hay equipment** approaches reflect the growing importance of the crop.

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June Retail Sales Mixed: High-Ticket Units are Up

In June, retail sales of farm equipment in the United States showed signs of weakening as a result of drought. However, sales levels remained very positive in some product areas. Four-wheel-drive tractors, two-wheelers over 100 hp and combines were up substantially. A 14 percent decline in tractors under 40 hp, mostly from Japan, was attributed partly to drought and partly to price resistance.

UNIT RETAIL SALES

Equipment	June			January-June		
	1988	1987	% Change	1988	1987	% Change
Farm Wheel Tractors:						
2-Wheel Drive						
Under 40 HP	7,232	8,427	(14.2)	32,025	34,014	(5.8)
40 & Under 100 HP	3,613	3,678	(1.8)	17,713	15,074	17.5
100 & Under 140 HP	314	327	(4.0)	2,328	1,645	41.5
140 HP & Over	711	545	30.5	5,356	2,989	79.2
Total 2-Wheel Drive	11,870	12,977	(8.5)	57,422	53,722	6.9
4-Wheel Drive						
Under 200 HP	103	41	151.2	517	260	98.8
200 HP & Over	162	76	113.2	890	421	111.4
Total 4-Wheel Drive	265	117	126.5	1,407	681	106.6
Total Farm Wheel Tractors	12,135	13,094	(7.3)	58,829	54,403	8.1
Combines (Self-Propelled)	499	392	27.3	2,288	987	131.8
Balers (Bales under 200 lbs)	1,418	1,417	.1	3,136	2,743	14.3
Forage Harvesters (Shear Bar Type)	423	394	7.4	978	890	9.9
Mower Conditioners	2,742	3,290	(16.7)	6,566	6,485	1.2

Canada's First Half Strong; June Mixed

Canada's first six months produced solid increases in unit sales of most product groups. But June results were mixed.

Tractor sales for the year were up 4 percent at 8,354 units, with sales of tractors under 40 hp showing the only six-month decline—by 11 percent to 2,160 units. In June, tractor sales were down 6 percent to 1,670 units, led by tractors under 40 hp (-14 percent to 507) and two-wheelers over 100 hp (-26 percent to 154 units).

For the six months, mower conditioners were up 19 percent to 1,431, big balers up 14 percent to 1,259, small balers down 3 percent to 700, forage harvesters up 36 percent to 245, self-propelled combines up 62 percent to 276 units, pull-type combines up 14 percent to 64 units, self-propelled swathers up 41 percent to 205, and pull-type swathers up 19 percent to 154. June volumes were down on big balers, pull-type combines and pull-type swathers, up on the others.

Despite Drought, FIEI Forecast Is Upbeat

Manufacturers of field farm equipment expect all U.S. retail sales in 1988 to end up about 5 percent ahead of last year. This was learned in a June survey taken by the Farm & Industrial Equipment Institute to update an identical survey taken six months earlier.

The earlier, "pre-drought" survey had produced the same median increase figure of 5 percent The range of 28 opinions last winter was from minus 4 percent to plus 10 percent. The range of 24 in June was from minus 17.5 percent to plus 20 percent.

Here are manufacturers' winter and summer forecasts in terms of unit sales at retail by product. The figures shown are median estimates.

Product	1988 Original Forecast	1988 Updated Forecast	Percent Change from '87
Tractors			
2-wheel drive			
Under 40HP	60,000	57,027	-4.8
40-99 HP	31,210	32,807	+6.8
100 HP & over	14,500	17,104	+7.5

(More, next page)

Canadian Retail Sales: Outlook Stays Strong

As of April, Canadian farm equipment firms were generally optimistic about 1988 retail sales. That's what is indicated by a survey released in June by the Canadian Farm & Industrial Equipment Institute. Here's how the original 1988 forecast, released in November, 1987, compares with the spring outlook for 1988:

Product	Original Forecast	Revised Forecast
All tractors	17,805	17,522
2-Wheel Drive		
Under 40 hp	4,596	4,612
40 to 99 hp	9,466	9,041
100 hp and over	2,830	2,927
4-wheel	913	942
S-P combines	1,580	1,650
P-T combines	542	475
S-P swathers	930	900
P-T swathers	1,383	1,433
Balers (under 200#)	1,589	1,568
Balers (over 200#)	3,270	3,304
Forage harvesters	513	492

(More, next page)

U.S. Forecast *(from page 23)*

4-wheel drive	1,800	1,810	+9.5
All farm tractors	107,510	108,748	+0.5
S-P combines	6,890	7,502	+4.6
Cornheads	4,100	4,120	+5.0
Windrowers	1,500	1,649	+5.0
Balers*	5,500	5,620	+5.0
Balers**	10,350E	10,500E	+5.0
Mower-Conditioners	11,488	11,689	+4.0
Forage harvesters	2,400	2,400	+5.3
Grinder-mixers	2,050	2,912	+17.5
Manure spreaders			+8.2
Chisel plows			+7.0
Disk Harrows			+5.0
Field cultivators			+6.0
Parts sales			+6.8

*Bales under 200 lbs. **Bales over 200 lbs. E - I&T estimate.

I&T's September issue will report on the 1989 portion of the FIEI's updated retail sales forecast.

Canadian Forecast *(from page 23)*

Mower-conditioners	2,557	2,551
Manure spreaders	1,712	1,859
Grinder-mixers	225	213
Moldboard plows	511	438
Chisel plows	1,000	1,182
Dish harrows	576	544
Grain drills	2,601	2,940
Corn planters	348	404

MF Buys Combine

In Canada, the Ontario court has approved the acquisition by Massey-Ferguson, Inc., of the conventional combine business that had been a part of Massey Combines Corp.

MCC went into receivership earlier in 1988 and the receiver, Peat Marwick Ltd., Toronto, has sold off several parcels of the company's assets.

Canadian newspapers have reported that the price on the conventional combine deal was $8 million (approximately $7 million in U.S. funds). MF Inc. bought inventories, dies, fixtures and other tooling, but not the combine factory at Brantford, Ont.

Massey-Ferguson is promising its dealers that it will have a combine line for them to sell in 1989. A spokesman for the company said that MF is currently sourcing a combine in line with the promise. MF takes over the business as of October 1.

Commented the MF spokesman: "We originally wanted to buy the conventional combine for the substantial parts business that it represents. There are many MF combines in the field and our dealers and customers need the source. It also holds up the value of the Massey-Ferguson name on all products."

Earlier, it was announced that the MCC receiver had sold the rotary combine technology, inventory, tooling, etc., to Greenland, Amsterdam-based parent company of Vicon, which operates a plant at Portage la Prairie, Man.

Tractor Assembly Starts at Coldwater

White-New Idea Farm Equipment Co. began assembly of White tractors June 6 at its Coldwater, Ohio, facility. Assembly had previously been done at Charles City, Iowa.

The company says it has invested $2 million in the new assembly line, which includes an improved paint system, and that a cost savings of approximately $12 million is expected from the White-New Idea consolidation. These workers are assembling a run of 140-hp White units. In 1989, White-New Idea will begin producing three tractor models for Deutz-Allis Corp.

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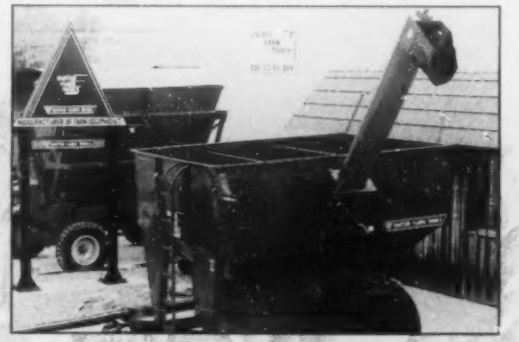

Grain Buggy

The 500 Bushel Grain Buggy is a 14" diameter single auger model.

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